

SPECIFIC INSTRUCTIONS FOR SALES TAX RETURN

RETURNS MUST BE FILED EVEN WHEN NO TAX IS DUE

Returns must be filed with the City of Longmont, Civic Center Complex, Longmont, CO 80501 on or before the 20th day of the month following the close of the tax period. Mailed returns must be postmarked by the 20th day of the month.

- LINE 1 **GROSS SALES AND SERVICE:** Report all receipts for the period covered; include all sales, both retail and wholesale; services rendered; rent receipts; Lease receipts; and all amounts both taxable and non-taxable, received in the conduct of your business.
- LINE 2A **BAD DEBTS COLLECTED:** Report the bad debts collected which were previously deducted on Line 3D "Bad Debts Charged Off."
- LINE 2B **TOTAL LINES 1 AND 2A:** Add Lines 1 and 2A.
- LINE 3 **DEDUCTIONS:** The following items are exempt from taxation.
- LINE 3A The **ONLY SERVICES TAXABLE** are telephone and telegraph services for all local exchange and intrastate service; gas, electric, and heating service; and meals service. Deduct all other services which are nontaxable.
- LINE 3B Deduct sales made to other city **LICENSED** retailers who purchase such merchandise for the purpose of resale to the consumer.
- LINE 3C Deduct all sales delivered to the purchaser outside the City limits of Longmont if **BOTH** the following conditions exist:
(a) The sale is to a purchaser who is a nonresident of Longmont, and (b) Delivery is made by common carrier, conveyance by the seller, or by mail to the purchaser **OUTSIDE** the City of Longmont.
- LINE 3D Deduct all sales which were originally taxable sales and which you deem "uncollectible/bad" and have written off as such.
- LINE 3E Deduct the value of property traded -in, which will be resold in the usual course of business.
- LINE 3F Deduct all sales of gasoline and cigarettes.
- LINE 3G Deduct all sales to organizations which **PROVIDE** an exception certificate issued by the State of Colorado and if the purchases are made in conjunction with their exempt status.
- LINE 3H Deduct all sales which were returned by the purchaser and were previously reported as net taxable sales.
- LINE 3I Deduct all sales of prescription drugs and prosthetic devices prescribed.
- LINE 3J-L Deduct all other exemptions not covered on Lines 3A through 3I. Other deductions must be explained in space provided.
- LINE 3 **TOTAL DEDUCTIONS:** Total all deductions claimed in Lines 3A through 3L.
- LINE 4 **TOTAL CITY NET TAXABLE SALES AND SERVICES:** Subtract **TOTAL DEDUCTIONS** on Line 3 from Line 2B.
- LINE 5 **AMOUNT OF CITY SALES TAX:** Report the amount of sales tax calculated. The sales tax calculated by multiplying Line 4 "Net Taxable Sales and Services" by the **EFFECTIVE** sales/use tax rate.
- LINE 6 **EXCESS TAX COLLECTED:** Report the amount of tax collected in excess of the effective rate of tax levied on retail sales.
- LINE 7 **ADJUSTED CITY SALES TAX:** Add Lines 5 and 6.
- LINE 8 **VENDOR'S FEE DEDUCTION—3% OF LINE 7 MAXIMUM \$25:** Report a deduction equal to 3% up to \$25 of adjusted City sales tax due. **THIS DEDUCTION IS ONLY ALLOWED IF TAX IS PAID ON OR BEFORE THE DUE DATE**, otherwise, enter zero.
- LINE 9 **TOTAL SALES TAX DUE:** Subtract Line 8 from Line 7.
- LINE 10 **CITY USE TAX:** Use tax is assessed on items that are purchased for the business's own use and for which no city sales tax has been paid and no tax exemption exists. Calculate use tax by multiplying the total purchase price from Schedule B on the reverse side by the effective use tax rate.
- LINE 11 **TOTAL TAX DUE:** Add line 9 and Line 10.
- LINE 12 **LATE FILING:** Report the penalty assessed for filing after the due date. The penalty is 10% of Line 11. Report the interest which is .50% per month of Line 11. Enter the total of penalty and interest in the appropriate space for Line 12.
- LINE 13 **TOTAL TAX, PENALTY, AND INTEREST DUE:** Add line 11 and 12.
- LINE 14 **ADJUSTMENT PRIOR PERIODS:** Report **UNDERPAYMENT** adjustments to returns previously filed or amended, in Line 14A. Report **AUTHORIZED CREDITS** and overpayments for adjustments to returns previously filed and amended in Line 14B.
NOTE: All amounts reported as prior period adjustments must be supported by written documentation.

Returns must be postmarked by the due date to avoid penalties.